

General Law Committee

Raised Bill No. 5333: An Act Concerning The Return of Outdated Drugs From Pharmacies to Wholesalers, Manufacturers and Distributors

Senator Doyle, Representative Baram, and distinguished members of the General Law Committee;

My name is Edward Schreiner. As a registered pharmacist, I have owned and operated Stoll's Pharmacy in Waterbury, Ct since 1988.

I am writing today to urgently request your support for raised bill No. 5333; An Act Concerning the Return of Outdated Drugs From Pharmacies to Wholesalers, Manufacturers and Distributors. Everyone knows that prescription medications are very expensive. The fact that pharmaceutical products have a limited shelf life is of major concern to all pharmacy owners. We must carefully manage our inventories so that we maximize sales of existing inventory while minimizing the incidence of having drug product reach their expiration date, thus rendering them unsaleable. The ability to return full or partial bottles of expired medication for refund or credit has a significant impact on the continued success of many community pharmacies.

The majority of drug manufacturers do take back their expired drug product for refund or credit. Because each individual manufacturer has their own return protocol it is very difficult for a pharmacy owner to process the returns themselves. Many pharmacy owners, myself included, have turned to businesses that specialize in processing pharmaceutical returns. I use the services of Returns Solutions. This company sends their representative to our pharmacy every 6 months. He inventories, records, and packages our expired inventory. We return it via Fed Ex to their facility where it is destroyed in a manner that meets all EPA requirements, thus protecting our environment from unnecessary exposure to expired prescription drugs. Return Solutions then reports the outdated products to each manufacturer and collects the refunds on our behalf. Over the past year my pharmacy has received \$88,695 in reimbursement for outdated drugs.

Over the same time frame Return Solutions also reported to me that they destroyed \$11,332.37 worth of medication purchased from manufacturers that did not accept expired product for credit or refund. The issue is two-fold.

I am aware of 33 drug manufacturers that do not accept returns under any circumstances, either full, unopened bottles or partial bottles. Most prominent among these is Abbott Labs. They manufacture a significant number of expensive brand name drugs that are commonly prescribed. Over ten years ago, Abbott stopped accepting returns and stated that they reduced the price of their products by 1% to make up for their decision not to accept any returns. Unfortunately, this 1% "price reduction" does not come close to covering the loss due to drug expiration for their products. A review of my reports for the last year indicated that Return Solutions processed over \$3,800 in expired Abbott products. This figure represents 6.45% of the total dollar volume of Abbott medication my pharmacy dispensed over this time period.

The second issue is manufacturers that only accept full, unopened bottles for return. There are an even larger number of manufacturers that fall into this category. The problem for pharmacies is that most manufacturers increase their sales and profits by only selling their drugs in 100 count bottles. Doctors commonly order 30 day or 90 day supplies of these medications to accommodate the requirements of the third party insurance plans

that are paying for these drugs. Many of these drugs are only taken once or twice a day, thus pharmacies are continually required to dispense partial quantities from manufacturers 100 count bottles.

With numerous companies like Return Solutions processing and destroying expired medications, the financial impact of providing pharmacies with reimbursement for returns on manufacturers is minimal. They run no risk of EPA sanctions for improper disposal, nor do they have to expend money in manpower to handle the return process.

Manufacturers that do not accept returns also impact Connecticut residents that need the drugs these companies make in order to maintain their health. With the ability to receive deliveries from pharmacy suppliers within 24 hours of placing orders, it has become commonplace for most pharmacies to stop keeping expensive drugs in stock that are made by manufacturers that don't accept expired drug returns until they have a prescriptions waiting to be filled. This policy reduces the risk of having to stock expensive drugs for one or two individual patients that will expire on the pharmacy shelf if the patient stops using the drug for one reason or another. Patients are notified on their initial order of these policies and are asked to reorder before exhausting their current supply. Unfortunately, circumstances do occur where the patient forgets to reorder before using up their at-home supply and end up missing doses while they wait for the pharmacy to receive their order.

In summary, passage of Raised bill 5333 will improved access to necessary medications for Connecticut residents by allowing pharmacies to stock these medications with reduced risk for financial loss in the event they expire before being dispensed. This business-friendly legislation addresses the inconsistency between the vast majority of manufacturers that accept returns and those that do not. It also addresses the issue of full vs partial bottle returns and has no impact on Connecticut taxpayers or state budgets. I strongly urge you to support passage of Raised bill 5333.

Respectfully Submitted,

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